



ECONOMIC DEVELOPMENT AUTHORITY AGENDA

Tuesday, October 2, 2012

6:45 p.m.

Coon Rapids City Center

Council Chambers

Call to Order

Roll Call

Approval of Minutes of Previous Meeting

August 8, 2012, EDA Meeting

New Business

1. Cons. Assignment of Contract for Private Redevelopment, 3789 Coon Rapids Boulevard

Other Business

Adjourn



EDA Regular

Meeting Date: 10/02/2012

SUBJECT:

8-8-12 EDA Meeting

Attachments

UNAPPROVED

ECONOMIC DEVELOPMENT AUTHORITY MEETING OF AUGUST 8, 2012

A meeting of the Coon Rapids Economic Development Authority was called to order by President Tim Howe at 8:46 p.m. on August 8, 2012 in the Council Chambers.

Members Present: President Tim Howe, Commissioners Denise Klint, Melissa Larson, Paul Johnson, Jerry Koch, Bruce Sanders, and Scott Schulte

Members Absent: None

CALL TO ORDER

President Howe called the meeting to order at 8:46 p.m.

ROLL CALL

All present.

APPROVE MINUTES OF EDA REGULAR MEETING OF JUNE 19, 2012

MOTION BY COMMISSIONER KOCH, SECONDED BY COMMISSIONER JOHNSON, TO APPROVE THE JUNE 19, 2012, EDA REGULAR MEETING MINUTES AS PRESENTED. THE MOTION PASSED UNANIMOUSLY.

1. ECONOMIC DEVELOPMENT ASSISTANCE PACKAGE FOR WINDFALL MEDICAL, LLC, 3789 COON RAPIDS BOULEVARD:
 - A. CONS. RESOLUTION EDA 12-3 AUTHORIZING EXPENDITURE OF TAX INCREMENTS FROM TAX INCREMENT DISTRICT 1-6
 - B. AUTHORIZE CHAIR AND SECRETARY TO EXECUTE A CONTRACT FOR PRIVATE DEVELOPMENT

The EDA is asked to consider an economic development assistance package for Windfall Medical, LLC for construction of a 32,000 square foot medical office building at 3789 Coon Rapids Boulevard.

Windfall Medical, LLC proposes constructing a 32,000 square foot medical office building on the former McKay Lincoln-Mercury car dealership site at 3789 Coon Rapids Boulevard. North Suburban Eye Specialists, which is currently located at 3790 Coon Rapids Boulevard, would be the primary tenant in the building. The Planning Commission recommended approval of a site plan for the project on July 19, which the Council will consider at its August 8 meeting. Windfall Medical submitted an application to the City for tax-increment financing to assist with project costs. Staff has reviewed the application and project costs and believes that the project is an

appropriate candidate for financial assistance. The project involves demolishing the vacant car dealership building and is located in a designated redevelopment area, Port Wellness. The site is located adjacent to the vacant Frank's Nursery building, which is scheduled for demolition and redevelopment as a senior housing facility. The EDA approved financial assistance for that project in June 2012. Staff has worked with the developer and current property owner to assess the site's environmental conditions using the City's Brownfields Assessment Grant from the EPA. While no significant soil contamination was found, the site's historic uses and a past petroleum release from an underground storage tank have triggered certain state environmental requirements. EPA grant funds will be used to prepare a Development Response Action Plan to minimize delays and reduce costs if contamination is found during development.

Staff believes that the Windfall Medical project is a good candidate for financial assistance because: project involves redevelopment of a vacant and unsightly building in an identified redevelopment area, Port Wellness, and will create both permanent jobs and temporary construction jobs. Staff proposes providing a \$400,000 economic development grant using pooled TIF funds from TIF District 1-6. Because the development site is located within TIF Project Area No. 1, State TIF law allows for use of existing cash balances in existing districts for development projects that would not occur "but for" the assistance. This grant will cover costs associated with demolishing the existing car dealership building, site preparation, and utility work. The developer estimates the cost of preparing the site for development at \$695,000 and the total project cost at \$6,000,000. The proposed uses of funds are eligible expenditures under the budget for District 1-6. Staff feels that this type of grant is a better type of financial assistance than establishing a new tax-increment financing district. While both types of assistance can provide the same level of funding, the grant provides the developer with cash up front, rather than over time. Also, the grant requires much less administration than a new tax-increment district, which results in lower costs for the City. It is also unlikely that the existing car dealership building is sufficiently blighted to qualify for inclusion in a new redevelopment TIF district.

At its August 8 meeting, the City Council considered and adopted Resolution 12-86 authorizing the EDA to make a grant to Windfall Medical. No funds will be disbursed until the Contract has been executed and Windfall Medical submits documentation of costs it incurs. If Windfall Medical does not complete the project or meet certain job creation goals, the grant proceeds must be returned. The Contract stipulates these terms.

MOTION BY COMMISSIONER KOCH, SECONDED BY COMMISSIONER LARSON, TO ADOPT RESOLUTION EDA 12-3 AUTHORIZING THE EXPENDITURE OF EXCESS TAX INCREMENTS FROM TAX INCREMENT DISTRICT 1-6; AUTHORIZE THE CHAIR AND SECRETARY TO EXECUTE A CONTRACT FOR PRIVATE DEVELOPMENT FOR WINDFALL MEDICAL, LLC, 3789 COON RAPIDS BOULEVARD:

THE MOTION PASSED UNANIMOUSLY.

OTHER BUSINESS

There was no other business to come before the EDA.

ADJOURN

MOTION BY COMMISSIONER LARSON, SECONDED BY COMMISSIONER KOCH, TO ADJOURN THE AUGUST 8, 2012, EDA MEETING AT 8:47 P.M. THE MOTION PASSED UNANIMOUSLY.

Respectfully submitted,

Cathy Sorensen
City Clerk



EDA Regular

1.

Meeting Date: 10/02/2012

Subject: Consider Assignment of Contract for Private Redevelopment, 3789 Coon Rapids Blvd.

From: Matt Brown, Community Development
Specialist

INTRODUCTION

The EDA is asked to consider an Assignment of a Contract for Private Redevelopment for a redevelopment project at 3789 Coon Rapids Boulevard.

DISCUSSION

On August 8, 2012, the EDA approved a Contract for Private Redevelopment with Windfall Medical, LLC, which provides financial assistance for construction of a 32,000 square foot medical office building on the former site of the McKay Lincoln-Mercury car dealership at 3789 Coon Rapids Boulevard. The project is proceeding as planned, with demolition and site preparation beginning this fall. However, since the original Contract was approved, Windfall Medical has attracted United Properties as an investor in the project. Therefore, Windfall Medical wishes to assign the Contract to Coon Rapids Medical LLC. The Contract allows for such an assignment with written permission from the EDA. The attached Assignment of Contract for Private Redevelopment grants permission and will be recorded with the original Contract.

ALIGNMENT WITH STRATEGIC VISION

This item relates to the **Community Development and Redevelopment** section of the 2030 Strategic Vision in the following way:

Encourage redevelopment of older commercial areas.

RECOMMENDATION

Staff recommends the EDA approve the Assignment of Contract for Private Redevelopment for a redevelopment project at 3789 Coon Rapids Boulevard.

Attachments

Location Map

Assignment of Contract for Private Redevelopment



ASSIGNMENT OF CONTRACT FOR PRIVATE REDEVELOPMENT

THIS ASSIGNMENT OF CONTRACT FOR PRIVATE REDEVELOPEMENT (“Assignment”) is made this _____ day of September, 2012, by and between Windfall Medical, LLC, a Minnesota limited liability company (“Assignor”), and Coon Rapids Medical LLC, a Minnesota limited liability company (“Assignee”).

WHEREAS, Assignor entered into a Contract for Private Redevelopment dated August 8, 2012, by and between Assignor and the Economic Development Authority in and for the City of Coon Rapids, a Municipal political subdivision (“Contract”), a copy of which is attached hereto.

WHEREAS, the Contract involves the development of real property legally described as follows:

Tract B, Registered Land Survey No 90
Files of Registrar of Titles, Anoka County, Minnesota.

WHEREAS, Assignor desires to assign to Assignee all of its right and interest in and to the Contract, and Assignee desires to assume all of Assignor’s right and interest in and to the Contract.

NOW, THEREFORE, FOR VALUABLE CONSIDERATION, Assignor, hereby assigns and transfers unto Assignee all of its right and interest in and to the Contract.

Assignee hereby assumes all rights, duties and obligations of Assignor under said Contract.

2

**APPROVAL FOR ASSIGNMENT OF CONTRACT
FOR PRIVATE DEVELOPMENT**

The Economic Development Authority in and for the City of Coon Rapids, a Minnesota political subdivision, hereby approves the Assignment by Windfall Medical, LLC, a Minnesota limited liability company, to Coon Rapids Medical LLC, a Minnesota limited liability company, of that certain Contract for Private Redevelopment dated August 8, 2012, by and between Windfall Medical, LLC, a Minnesota limited liability company and the Economic Development Authority in and for the City of Coon Rapids.

ECOMONIC DEVELOPMENT
AUTHORITY IN AND FOR THE CITY
OF COON RAPIDS

Dated: September _____, 2012

By: _____
Tim Howe
Its Chair

Dated: September _____, 2012

By: _____
Denise Klint
Its Secretary

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

On this _____ day of September, 2012, before me, a Notary Public within and for said County, personally appeared Tom Howe, Chair of the Economic Development Authority in and for the City of Coon Rapids, who signed the foregoing instrument on behalf of the Economic Development Authority in and for the City of Coon Rapids.

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF ANOKA)

On this _____ day of September, 2012, before me, a Notary Public within and for said County, personally appeared Denise Klint, Secretary of the Economic Development Authority in and for the City of Coon Rapids, who signed the foregoing instrument on behalf of the Economic Development Authority in and for the City of Coon Rapids.

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

BARNA, GUZY & STEFFEN, LTD.

400 Northtown Financial Plaza

200 Coon Rapids Boulevard

Minneapolis, MN 55433

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